



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0482	Title:	State assistance for economic damage caused by brucellosis
Primary Sponsor:	Howard, David	Status:	As Amended in House Committee-Revised

- | | | |
|---|--|---|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input checked="" type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
State Special Revenue	\$25,637*	\$25,637*	\$25,637*	\$25,637*
Revenue:				
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

HB 482 requires the Department of Livestock to reimburse producer's costs above the indemnification per animal destroyed for sanitation purposes and to manage and process claims. HB 482 does not include an appropriation nor does it provide a dedicated revenue source to carry out the provisions of the bill. There are no funds currently budgeted in HB 2 for this purpose. * If the department does not receive gifts, grants, reimbursements, or allocations from outside parties there will be no funding available to pay brucellosis related costs incurred by the owner that are not paid by the federal government.

FISCAL ANALYSIS

Assumptions:

Department of Livestock

1. The department can not estimate how many producers will have herds destroyed due to brucellosis in the future nor can it estimate how many if any animals might be involved.
2. The producer ancillary costs for destroying brucellosis infected animals are also unknown.
3. There have been two recent brucellosis outbreaks. The outbreak in FY 2007 cost the emergency fund \$106,167 involving a herd size of 230 animals. The outbreak in FY 2008 cost the department \$25,547 for a herd size of 25 animals. Shipping costs in FY 2007 were \$20,637.
4. The department will incur its normal costs in the statutory performance of its duties; except for transportation and claims processing costs. Transportation costs that would be born by the producer are

\$20,367. The cost to process claims is estimated at \$5,000 per year. Therefore, it is assumed that the Department of Livestock would pay shipping costs and claims processing costs of \$25,637.

5. These costs to producers would be reimbursed, provided funding is available, from the livestock indemnity account established in HB 482.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$25,637	\$25,637	\$25,637	\$25,637
TOTAL Expenditures	\$25,637	\$25,637	\$25,637	\$25,637
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$25,637	\$25,637	\$25,637	\$25,637
TOTAL Funding of Exp.	\$25,637	\$25,637	\$25,637	\$25,637
<u>Revenues:</u>				
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	(\$25,637)	(\$25,637)	(\$25,637)	(\$25,637)

Sponsor's Initials

Date

Budget Director's Initials

Date



Dedication of Revenue 2011 Biennium

17-1-507-509, MCA.

- a) **Are there persons or entities that benefit from this dedicated revenue that do not pay? (please explain)**
Possibly, depending on where the gifts, grants, reimbursements or allocations from any source come from.
- b) **What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?**
None.
- c) **Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? Yes / No (if no, explain)**
Yes, if the bill is passed.
- d) **Does the need for this state special revenue provision still exist? ☒ Yes ☐ No (Explain)**
Yes. The department has no spending authority or the funds for such expenditures at this time.
- e) **Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please Explain)**
No – all expenditures will be recorded on SABHRS.
- f) **Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please Explain)**
Yes, however, it is unknown how often this disease outbreak may occur and there is no dollar amount specified.
- g) **How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)**
There is no dollar amount stated in the bill however any revenue/expenditures received for this purpose would be accounted for in SABHRS.